



COUNTY OF LOS ANGELES
OFFICE OF THE COUNTY COUNSEL

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Donald L. Wolfe, Director
Department of Public Works
900 South Fremont Avenue
Alhambra, California 91803

Attention: Fred Rubin, Assistant Deputy Director
Environmental Programs Division

**Re: Ordinance Relating to Franchises for Solid Waste
Collection**

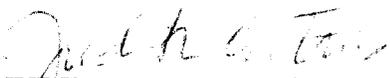
Dear Mr. Wolfe:

You have asked this office to prepare an ordinance amending Title 20 of the Los Angeles County Code to require a franchise fee for solid waste collection in the unincorporated areas.

The ordinance you requested, approved as to form, and an analysis are enclosed and may be presented to the Board of Supervisors for consideration.

Very truly yours,

RAYMOND G. FORTNER, JR.
County Counsel

By 
JUDITH A. FRIES
Principal Deputy County Counsel
Public Works Division

JAF:gjv

Enclosure

HOA.350044.1

ANALYSIS

This ordinance amends Title 20 of the Los Angeles County Code to require payment of a franchise fee for the grant of a franchise to provide solid waste handling services in county unincorporated areas.

RAYMOND G. FORTNER, JR.
County Counsel

By 

JUDITH A. FRIES
Principal Deputy County Counsel
Public Works Division

JAF:gjv

2/13/06 (requested)

2/21/06 (revised)

ORDINANCE NO. _____

An ordinance amending Title 20 - Utilities of the Los Angeles County Code, relating to franchise fees for solid waste handling services in the unincorporated areas.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Section 20.70.021 is hereby added to read as follows:

20.70.021 Payment of franchise fee.

A. As consideration for the grant of a franchise awarded as provided in Section 20.70.020, the franchisee shall pay a franchise fee to the county in such amount as may be determined by the board of supervisors, expressed as a percentage of the monthly gross receipts of the franchisee arising from the use, operation, or possession of the franchise. Franchise fee payments shall be deposited in the Solid Waste Management Fund of the Department of Public Works.

B. As used above, "gross receipts" means any and all fees, charges, and other compensation received directly or indirectly by the franchisee, its affiliates, subsidiaries, parent, and any other person or entity in which the franchisee has a financial interest or which has a financial interest in the franchisee, arising from or attributable to the franchisee's provision of solid waste handling services in accordance with the franchise agreement, but excluding any such compensation attributable to the franchisee's sale of materials or substances having commercial value which have been segregated from other solid waste materials for collection as recyclable materials.

C. The franchise fee shall accrue from the effective date of the franchise and payment shall be due 30 days after the end of each month or as otherwise provided in the franchise agreement. The franchise fee shall be made payable to the "Los Angeles County Department of Public Works" and transmitted to the Department of Public Works, Cashier's Office, 900 South Fremont Avenue, Alhambra, California 91803-1131. Payment of the fee shall be accompanied by a report, verified under oath by the franchisee or a duly authorized representative of the franchisee, setting forth in detail the computation of the amount of the franchise fee payment. The report shall show the total monthly gross receipts of the franchisee for the immediately preceding month, together with such additional data as is reasonably necessary in the opinion of the director of public works to calculate or verify the calculation of the monthly franchise fee payment.

D. Unpaid franchise fees are delinquent 30 days after they are due. In the event the franchisee fails to pay any franchise fee in full on or before the delinquency date, the franchisee shall pay a late payment charge equal to 10 percent of the unpaid amount. As an additional late payment charge, an assessment of interest will accrue at the rate of two percent of the unpaid franchise fee due for each month, or any portion thereof, that the unpaid fee plus late payment charges remain delinquent. The director of public works may reduce or waive late payment charges upon a determination that there is a reasonable basis for the franchisee's failure to timely pay the franchise fee. The county is not obligated to notify the franchisee of the accumulation of late payment charges.

E. If the report of gross receipts made by the franchisee should be found to be less than the amount of gross receipts disclosed by audit or review, the franchisee shall pay, within 30 days of billing, the delinquent fee amount and all late payment charges that have accrued under subsection D above. In the event the additional franchise fee amount due to the county exceeds two percent of the total amount that should have been paid as determined by such audit or review, the franchisee shall pay the cost of the audit or review unless the director of public works determines that there is a reasonable basis for the failure to report or pay.

F. If overpayment of the franchise fee is disclosed by an audit or review, the franchisee shall take the amount of overpayment as a credit against subsequent franchise fee payments.

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